

# PERAC

COMMONWEALTH OF MASSACHUSETTS | PUBLIC EMPLOYEE RETIREMENT ADMINISTRATION COMMISSION

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JOSEPH E. CONNARTON, *Executive Director*

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## MEMORANDUM

TO: Montague Retirement Board

FROM: Joseph E. Connarton, Executive Director

RE: Approval of Funding Schedule

DATE: May 13, 2016

This Commission is hereby furnishing you with approval of the revised funding schedule you recently adopted (copy enclosed). The schedule assumes payments are made on August 1 of each fiscal year. The schedule is effective in FY17 (since the amount under the prior schedule was maintained in FY17) and is acceptable under Chapter 32.

The revised schedule reflects a reduction in the investment return assumption from 7.75% to 7.50% and the adoption of a fully generational mortality assumption.

If you have any questions, please contact PERAC's Actuary, Jim Lamenzo, at (617) 666-4446, extension 921.

Enc.



**Montague Retirement System**  
**January 1, 2016 Actuarial Valuation**

Total Cost Increasing 3.9% through FY29 with final amortization payment in FY30

<u>Fiscal</u> <u>Year</u>	<u>Normal</u> <u>Cost</u>	<u>Net</u> <u>3(8)(c)</u>	<u>Amort. of</u> <u>UAL</u>	<u>Amort. of</u> <u>2002 ERI</u>	<u>Amort. of</u> <u>2003 ERI</u>	<u>Total</u> <u>Cost</u>	<u>Unfunded</u> <u>Act. Liab.</u>	<u>% Increase</u> <u>Total Cost</u>
2017	694,595	30,000	894,400	44,249	64,356	1,727,600	11,049,007	
2018	725,852	30,000	930,543	44,249	64,356	1,795,000	10,805,908	3.9%
2019	758,515	30,000	967,880	44,249	64,356	1,865,000	10,505,956	3.9%
2020	792,648	30,000	1,050,696		64,356	1,937,700	10,143,611	3.9%
2021	828,317	30,000	1,154,983			2,013,300	9,712,879	3.9%
2022	865,592	30,000	1,196,208			2,091,800	9,207,173	3.9%
2023	904,543	30,000	1,238,857			2,173,400	8,619,487	3.9%
2024	945,248	30,000	1,282,952			2,258,200	7,942,152	3.9%
2025	987,784	30,000	1,328,516			2,346,300	7,166,898	3.9%
2026	1,032,234	30,000	1,375,566			2,437,800	6,284,813	3.9%
2027	1,078,685	30,000	1,424,215			2,532,900	5,286,295	3.9%
2028	1,127,225	30,000	1,474,475			2,631,700	4,160,903	3.9%
2029	1,177,951	30,000	1,526,349			2,734,300	2,897,402	3.9%
2030	1,230,958	30,000	1,492,645			2,753,603	1,483,707	0.7%
2031	1,286,351	30,000				1,316,351	0	

FY17 appropriation maintained from the current schedule

Appropriation payments assumed to be made August 1 of each fiscal year

Normal cost assumed to increase 4.5% per year

Assumed expenses of \$240,000

Total appropriation increases 3.9% each year through FY29 with final amortization payment in FY30